Chapter 11 – CNI TOP 5 + 1

Overview

During the course of FY 2004, the CNO asked for a series of recurring reports from the Navy's Echelon II Commanders. These reports were presented throughout the year to either the CNO or VCNO in the form of the Commander's Top 5 issues or major goals for the year and a report on the progress made in addressing these same issues/goals.

For CNI, RADM Weaver presented his CNI update for the CNO as the "CNI Top 5 +1" during FY 2005.

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CNI Top 5:

- FY 2004 Execution
- FY 2005 Budget
- Standardize Business Practices across the Regions
- AT/FP Realignment
- IT Rationalization

Plus One:

- NAVFAC/NAVSUP/CNI Alignment

This chapter addresses CNI's progress during FY 2004 on each of these major issues in a quick overview form as most of these topics are covered to some extent earlier in this report. CBB-04 and CBB-05 were significant successes for CNI to establish initial budgets for the first 2 years of its existence. CNI has successfully manned its Anacostia HQ. CNI also conducted a very positive web-based customer feedback tool/questionnaire to ensure direct feedback from its mission and other customers. A shift in priorities refocused CNI's AT/FP program to a risk based AT/FP strategy. CNI's command level emphasis on IT rationalization led to major reductions across the Enterprise. Forward thinking helped create CNI partnerships with NAVSUP, through COMFISCS, and with NAVFAC for the establishment of Facilities Engineering Commands (FECs).

Shore Forces Domain Partnership

Commander, Navy Installations (CNI) – Supporting the Warfighter
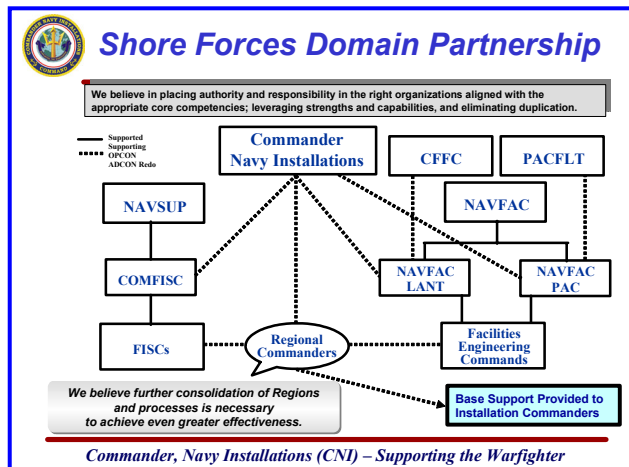
Product of the Plan
CNI Top 5 + 1 Summary

FY 2004 Execution:

- Conducted initial CBB process for FY 2004 budget.
- Initially reprogrammed $504M from SRM to fund BOS programs for FY 2004 (we were able to put back approx. $170M into SRM by year end).
- Met performance expectations in spite of an overall $908M financial challenge for CNI in FY 2004.
- Year-end execution for OMN at 99.8%.

FY 2005 Budget:

- Conducted CBB-05 process for FY 2005 budget.
- Reprogrammed $195M from SRM to fund BOS programs for FY 2005, down from amounts in FY 2004.
- Established new standardized business rules for FY 2005 and introduced a Resource Allocation Process to handle resource issues in a standardized, consistent way.

Standardize Business Practices across the Regions:

- CNI Human Capital Development Plan accelerated.
- Workforce baseline established.
- CNI HQ staffing nearly complete.
- Progress made toward completing new CNI Senior Shore Managers course and new CNI University.
- Initial overall CNI customer feedback questionnaire completed with overall satisfaction at 3.67 out of 5.

AT/FP Realignment:

- Implemented AT/FP risk-based investment strategy.
- Released CBRNE preparedness guidance message.
- Aligned Senior Steering Group/Systems Commands' AT/FP Leadership Team Organizations.

IT Rationalization:

- NMCI seat roll out of 78.5% by end FY 2004.
- Servers and applications identified for reduction across the CNI Enterprise.
- Significantly reduced cell phone contracts CNI-wide.
- ABC/M roll-out continued with successes in Regions with mature ABC/M systems in-place.

NAVFAC/NAVSUP/CNI Alignment:

- CNI/NAVFAC MOA signed on 26 December 2004.
- Partnership consolidates Regional Engineer Staffs and PWDs into FECs.
- FECs are in operation in Mid-Atlantic, Washington, Mid-West and the Far East.
- CNI/COMFISCS MOA signed on 25 January 2005.
- CNI outsourcing of most Supply functions to NAVSUP (COMFISCS).

FY 2004 Execution

Scope of Program

For CNI in its initial year of existence, the execution of the FY 2004 budget was vital to set the baseline for CNI for the future and to complete the assimilation of the installations transferred from the 8 divesting major claimants to CNI. CNI updates for CNO/VCNO provided the status of spending (as well as outputs) according to the annual phasing plan and implementation strategies for Cost of War (COW) reductions.

Progress in FY 2004

For FY 2004, and owing to the late stand up of CNI on 29 September 2003, CNI was not able to create its own budget when due in early summer based on the shore services and support POM inputs. CNI was dependent on the funding and data provided by the 8 divesting claimants as it neared the start of FY 2004. Prior to CNI's official establishment, the CNI staff submitted FY 2004 phasing plans to FMB. Initial controls for FY 2004 were provided to the Regions in September 2003. At the direction of RADM Weaver, CNI and the Regions reex-amined the budget out together by the 8 divesting claim-ants and conducted its initial Capability Based Budget (CBB-04) review in October/November 2003 to establish a revised CNI created baseline budget for FY 2004.

The CNI CBB-04 review provided the initial zero-based analysis for CNI, and focused requirements on outputs needed by customers. CBB-04 helped to build a credible budget based on capability vice prior year spending, providing visibility of outputs and Capability Levels (CLs) for dollars invested. CBB also helped identify where dollars were most critically needed, while helping to focus and describe risks/impacts of less than full funding or at lower CLs.

For FY 2004, some key events for CNI in execution of its initial budget included:

- Dec 03: Initially reprogrammed $504M from SRM to BOS (we were able to put back $170M of this by year end)
- Jan 04: Briefed FMB on reprogramming action
  - Identified excess cash 2nd quarter ~$200-400M
- Feb 04: Heard first rumblings of COW Bill
  - Forward obligated allowable bills (utilities, USA)
- Mar 04: Mid-Year Review under-execution of $300M
- Apr 04: Reduced $300M
- May-Sep 04: Was able to meet FMB obligation metric of 95%

CNI faced the realities of the COW reductions with the initial impacts of $86M in SRM projects, $14M in other SRM, and $200M in BOS reductions across all programs.

The execution strategy leveled the overall COW impact across all Regions, ensuring level minimum support to CNI customers. This strategy detailed:

- Port Operations program to CL 3;
- No impact on NISH contracts;
- No Furloughs or Environmental Violations; and
- Identification of must fund issues.

In the summer of 2004, the CNI plan for the 4th Quarter of FY 2004 was boosted with a plus-up of $33M from FMB for BOS/COW impact reductions. CNI focused on the development of an Integrated Priority List stressing COW impact mitigations, investment for the future, and a reduction in the FY 2005 bow wave of deficiencies.

The FY 2004 financial challenges facing CNI during execution were significant as summarized below:

CNI FY04 Challenges

CNI FY04 financial challenges –	$941M
BSRT – Assumed CNI efficiencies -	$217M
Shortfall to begin FY04, validated in CBB	$246M
• Excluding 7% challenge and CNI stand up/investment	
GTMO detainee ops not funded -	$ 45M
NAVSTA RR closure – above program	$ 10M
• $15M pushed to FY05	
Execution year budget Marks – (OSD)	$ 52M
PSA/PSD unfunded program -	$ 28M
NMCI/BLII unfunded program -	$ 43M
Cost of War -	$300M
CNI FY04 financial assistance –	$ 33M
FMB Mid-Year – (NAVSTA RR $20M; CE $5M)	$ 25M
COW Execution	$ 8M
Net	**$908M**

Commander, Navy Installations (CNI) – Supporting the Warfighter

CNI successfully executed its FY 2004 BOS budget by year's end with a total of $3.332B available for execution (OMN and OMNR less SRM) and the total final execution for output in FY 2004 of $3.157B, with a COW bow wave of $56M into FY 2005. For CNI, some of the key financial lessons learned in its initial year as an Echelon II Commander included:

- Requirement to develop better actual Phasing Plans for the year of execution versus the more general Execution and Cash Management Concepts.
- Need to establish improved regular CNI HQ level communications for both actual execution rates and for additional, specific execution year funding requirements with both OPNAV N4 and with FMB.
- Preparation of improved planning and strategy development for year-end execution, ensuring all aspects of future commitments and their impact are fully considered.
- Seek to better manage CIVPERS manpower through-out the year by using central FTE management at CNI HQ, by determining the correct number of CIVPERS by program, and through an improved understanding of the impact of the under-execution of CIVPERS FTE during the execution year.

FY 2005 Budget

Scope of Program

With CNI quickly into its first year of existence with its budget for FY 2004 based on CBB-04, the focus turned to the development of a CNI strategy for the outputs requirements and associated budget for FY 2005 and the CBB-05 review.

Progress in FY 2004

CNI commenced its serious consideration of a budget for FY 2005 during the April 2004 CBB-05 review. For CNI, the FY 2005 programmed funding was based on PR-05 submissions developed prior to the official establishment of CNI at the beginning of FY 2004.

The CBB-05 requirements submitted by the Regions were more refined than those for CBB-04, reflecting the progress made across all programs in standardizing approaches to performance metrics and models. These total requirements came to $3.9B for FY 2005 for BOS (OMN and OMNR), with the SRM controls for FY 2005 initially at $1.32B. After the CBB-05 review of the FY 2005 requirements, the total was readjusted to $3.4B as the agreed, credible requirement total for BOS. To meet these requirements, CNI decided to move $195M from SRM to BOS to meet FY 2005 funding requirements, which was subsequently approved by FMB. With a total of $504M initially moved from SRM in FY 2004 and $195M from SRM in FY 2005, CNI's commitment for FY 2006 is to move no funds from SRM to BOS (OMN and OMNR) to fund CBB-06 requirements.

Of the $195M transferred from SRM to BOS for FY 2005, CNI required $67M to maintain the CBB-05 controls, leaving $128M for redistribution for "must find issues" as shown:

Must Fund Issues

$ 24M	Environmental	$ 9M	Facility Management
$ 23M	IT Services	$ 7M	Roosevelt Roads
$ 14M	Utilities	$ 4M	Galleys
$ 12M	Flagship Institutions	$ 3M	Air, Port, Other Ops
$ 10M	Federal Fire fighters	$ 2M	Facility Services

CNI Contingency Fund $20M

$ 128M Total

Commander, Navy Installations (CNI) – Supporting the Warfighter

The FY 2005 challenge for CNI at the commencement of the year included a number of under funded programs as shown below:

Remaining Unfunded FY 2005 BOS Issues = $165M

$ 33M	Public Safety	$ 5M	Port Ops
$ 31M	Personnel Support	$ 4M	Supply
$ 20M	Utilities	$ 4M	Air Ops
$ 12M	Command and Admin	$ 3M	Intra-Station Moves
$ 18M	IT Services	$ 2M	Transportation
$ 11M	Environmental	$ 2M	Military Pers. (Command & Admin)
$ 10M	Facility Management	$ 1M	Other Operations
$ 9M	Housing		

$ 165M Total

Commander, Navy Installations (CNI) – Supporting the Warfighter

CNI FY 2005 budget execution strategy is based on a program centric approach using the Resource Allocation Process for final issue resolution. The CNI FY 2005 execution goals include CNO directed CLs with Air Operations, Port Operations, Utilities, and OCONUS and Isolated/Remote MWR all at CL 2 and all other programs at CL 3. The FY 2005 goal is to advertise, socialize, and negotiate the CNI-developed Required Operational Capabilities (ROCs) for each program with CNI's customers.

As was true in FY 2004, the CNI staff plans to closely monitor its obligation rate in FY 2005 against the annual phasing plan. FY 2005 had a slow start for CNI awaiting the approval to move the $195M from SRM to BOS. With the new business rules in place for FY 2005 using the Resource Allocation Process and FY 2005 controls issued to the Regions, CNI is well positioned to retain control of its FY 2005 execution during the year.

For FY 2005, CNI has singled up the Comptroller function to CNI HQ vice at the 20 Regions and PSA's. CNI will roll out the single financial system to all CONUS Regions and Hawaii in FY 2005, with the OCONUS Regions to follow in FY 2006. The CNI staff also plans to train more of the workforce on its new MIS system and to improve the financial execution MIS system utilization.

FY 2006 will mark the initial year that CNI implements a budget based on a CNI-developed POM and CNI calculated requirements using the improved performance metrics and models.

Standardize Business Practices across the Regions

Scope of Program

The CNI goal to standardize business practices across the Regions included the two-pronged approach involving staffing/Human Capital Strategy and common metrics/ dashboard. Progress on these two initiatives was included in the CNI updates for CNO/VCNO.

Progress in FY 2004

Staffing/Human Capital Strategy:
In the August 2004 update for CNO, the CNI presentation addressed the following aspects of the Human Capital Strategy:
- Calculate Human Capital baseline; completed 1 June.
- Develop concept for CNI University.
- Develop proposed curriculum for CNI University.
- CIVPERS/MILPERS strategy in place by 1 October 2004.

The CNO Guidance for 2004 called for the development of a human resource strategy and force shaping plan to support the Sea Power 21 Navy. The CNO Echelon II Visit to CNI in January 2004 provided feedback on CNI's Human Capital Development Plan and on the savings from transformation. CNO noted that CNI needed to accelerate achieving mid and long-term objectives, including the Human Capital Development and savings initiatives. For CNI, the "Human Capital Development Plan" moved from a mid term task (6 – 18 months) to a near term task (6 months).

The CNI baseline provides the picture as to where CNI is today in terms of its workforce. Within CNI, there are some 55,500 in the workforce with 46% of those military. Looking to the future, the CNI human capital strategy is a plan for creating value through the right workforce and the right workforce management tactics.

The current draft of the CNI Strategic Plan includes the workforce component drafted as the CNI Strategic Guidance for developing a Human Capital Strategy
- Acquire, grow, develop, and sustain the human capital – the right skills in the right place at the right time – to accomplish the mission, now and in the future.
  - o Alignment and Competencies
  - o Leadership and Performance Culture

A totally new Shore Senior Leaders Training course is in final stages of development as a workforce shaping tool. This course is planned for senior shore support and services leaders. A pilot of the new course will be conducted in February – March of 2005.

The CNI University concept is also a workforce shaping tool designed to make the most of our workforce by leveraging the investment in experience with additional education, while avoiding costly hiring and divestiture costs when possible. It will provide a broad approach to increasing employee awareness and capabilities through an enterprise wide view of CNI, with insights into CNI customers and partners and an understanding of forces and influences external to the CNI organization.

Common Metrics/Dashboard:
The CNI summer presentation to CNO also addressed key points for the approach to common metrics/ dashboard:
- Personnel on-board versus authorized – completed.
- SRM project execution rate – completed.
- OBOS execution rate – completed.
- Daily consumption rate.
- Customer feedback (since completed).

The CNI HQ basic allowance for officers at end FY 2004 was at 44 with a current onboard count of 44 officers. The civilian FTE for CNI HQ at end FY 2004 had 203 authorized billets with a total of 185 onboard. The figures reflected marked improvements over the course of FY 2004 in the manning posture for CNI HQ.

CNI's overall execution for SRM during FY 2004 was significantly reduced during FY 2004, with $504M reallocated from the SRM initial controls to cover requirements in other parts of the shore services and support program. The SRM execution was much more linear in FY 2004 without the normal back loading of projects at the end of the year. For both SRM and BOS accounts, the CNI PDs tracked actual execution closely against the annual phasing plan.

For FY 2004, CNI conducted its initial Senior Level Customer Satisfaction Feedback Questionnaire review with its top customers. CNI's overall response rate achieved was 35.85%, with the weighted average rating of 3.67 on a 5 point scale (5 is highly satisfied) for the customer satisfaction part of the questionnaire, which was most encouraging as a reflection on CNI's first year.

Anti-Terrorism/Force Protection (AT/FP)

Scope of Program

FY 2004 presented numerous challenges for CNI within the Anti-Terrorism/Force Protection (AT/FP) program. The goal was to address the AT/FP requirements from several sources across all Regions, while refocusing on a risk-based overall approach.

Progress in FY 2004

With the stand-up of CNI, the responsibilities of the AT/FP Program Director (PD) at CNI grew with the direct management and oversight of all 16 CNI Regions in a period of fluctuating requirements from JCS, OPNAV, and CFFC.

Overall FY 2004 CNI accomplishments for AT/FP were:
- Implemented an AT/FP Risk-Based Investment Strategy
  - Briefed 3-star BOD on Ashore AT/FP Vision
  - Released CBRNE preparedness guidance message (CNI 030102Z APR 04)
- Aligned Senior Steering Group/Systems Commands' AT/FP Leadership Team Organizations
  - Designated PMs in NAVFAC and NAVSEA
  - Established 22 individual Capability Area Coordinators for each of 22 Fleet Forces Command identified AT/FP capability areas (e.g. Area Wide Alert/Notify, Operations Centers)
  - Pilot Programs progressing (Information Management & Base Wide Alert and Physical Security/Access Control)
- Drafted OPNAVINST 3440.XX, *Navy Shore Installation Emergency Management Program,* and CNIINST 3440.XX*, Navy Shore Installation EM Manual.* Began staffing for signature and coordination with regional CBRNE POCs
- Defined ROCs designations and began staffing application with the Fleets/Regions
- Initiated Security Manpower Strategy (Technology Insertion/CONOPS, Manpower Management, Strategic Sourcing Policy Management, Business Improvements)

The CFFC IPT provides inputs on threats, vulnerabilities, criticalities, and capabilities for an effective AT Program Ashore. The SYSCOM AT/FP Team (SAT) provides technology maturity and deploy ability information. These inputs built the benefits and using the costs associated with defined capabilities, helped develop the Cost/Benefit value for each capability.

CNI Risked Based Model

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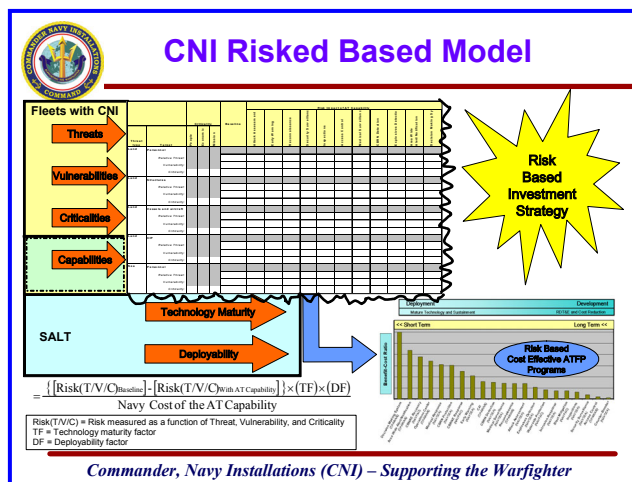
The SYSCOM AT/FP Team (SAT) was formed to support the Risk Based Investment Model (RBIM) and PSE sustainment. Significant progress has been made to date in the development of a risk-based, region-centric, and capabilities focused process for Force Protection (FP) ashore. To ensure its success, CNO N4 worked during the POM-06 programming phase to fully fund PSE sustainment and management support for the appropriate SYSCOM Capability Area Coordinator (CAC) program offices.

CNI Public Safety is pursuing a demonstration study and deployment of a series of regionally focused, technology-based solution sets that CNI Public Safety believes will reduce staffing and process duplication in the areas of vehicle inspection, operations center management, emergency personnel dispatch, and installation access control.

The CNI AT/FP PD has an aggressive plan to continue these overall realignment efforts though the following:
- Present CNI Ashore AT/FP Vision Brief and Risk-Based Investment Strategy to CNO
- Finalize 22 Regional AT Capability Packages with Fleet Review
- Finalize and establish CNI/Regional Navy Ashore AT/FP Plan
- Execute Security Manpower Strategy
- Finalize Critical Installation Protection Strategy
- Formalize Ashore AT/FP Risk-Based Investment Strategy with Joint Staff guidance
- Let a world-wide FP Integrated Logistics Support Contract
- Implement Navy Shore Installation Emergency Management Program
- Realize OMN and MPN savings through transformation initiatives, technology insertion, CONOPS and business improvements

Information Technology (IT) Rationalization

Scope of Program

CNI has a goal to lead the Navy in terms of Information Technology (IT) Services rationalization. This CNI effort in FY 2004 emphasized the overall NMCI rollout for CNI, network/server/application reduction, enterprise adoption, and voice cost reduction.
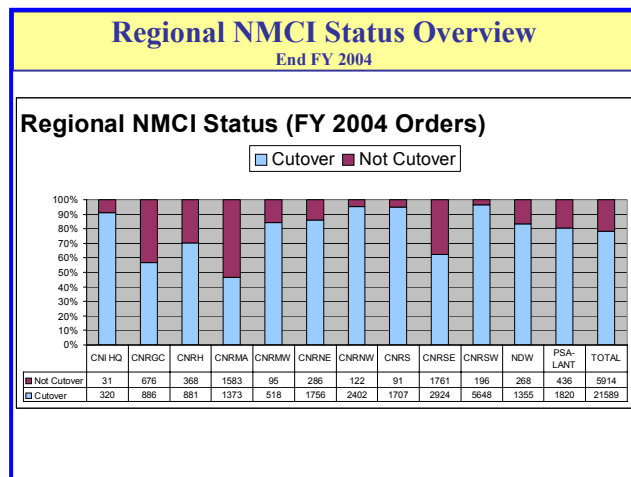
Progress in FY 2004

The CNI updates for CNO/VCNO addressed each IT area included in the FY 2004 rationalization plan.

NMCI Rollout:
* The July 2004 update reported:
  o CNI with 74.2% of seats deployed with plan to reach 82% by end 2004;
  o Facilitating execution discipline geographically.

By end FY 2004, CNI had achieved NMCI rollout across Regions as shown below:

Regional NMCI Status Overview
End FY 2004

Regional NMCI Status (FY 2004 Orders)

□ Cutover ■ Not Cutover

	CNI HQ	CNRGC	CNRH	CNRMA	CNRMW	CNRNE	CNRNW	CNRS	CNRSE	CNRSW	NDW	PSA-LANT	TOTAL
Not Cutover	31	676	368	1583	95	286	122	91	1761	196	268	436	5914
Cutover	320	886	881	1373	518	1756	2402	1707	2924	5648	1355	1820	21589

The CNI overall FY 2004 direct BOS (OMN and OMNR less SRM) obligations for NMCI were $87.42M.

Network/Server/Application Reduction:
* The July 2004 update reported:
  o Contract underway to identify and quantify CNI servers;
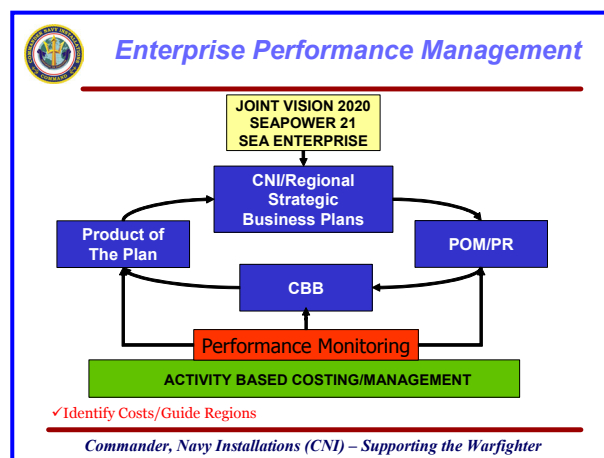 o CNI reduced application portfolio by 80 applications.

In all of FY 2004, CNI identified over 3,000 servers that were maintained across the enterprise. Total estimated cost for these servers is $60M annually. The FY 2005 plan for CNI is to reduce the number of servers maintained by 30% with an annual savings of $20M.

CNI business units reported over 1,200 BOS applications in use. These applications were reviewed and rationalized to 500 applications in FY 2004. CNI plans for FY 2005 include shutting down applications.

Enterprise Application Standardization:
* The July 2004 update reported:
  o End of year funds have restarted these efforts.

CNI has selected Enterprise application solutions along its major business lines. Implementation of these solutions will reduce redundancy and legacy application costs across the organization. Rationalizing these applications and identifying Enterprise standards and solutions will improve CNI's ability to accurately plan, execute, report, and evaluate key business initiatives.

Enterprise Performance Management

JOINT VISION 2020
SEAPOWER 21
SEA ENTERPRISE

CNI/Regional Strategic Business Plans

Product of The Plan

POM/PR

CBB

Performance Monitoring

ACTIVITY BASED COSTING/MANAGEMENT

✓ Identify Costs/Guide Regions

Commander, Navy Installations (CNI) – Supporting the Warfighter

During FY 2004, CNI Regions continued to deploy Activity Based Costing/Management (ABC/M) across the organization. Regions with a more mature ABC/M set up in-place (such as Japan, Hawaii, and) continued to experience successes during FY 2004. In Region Hawaii, this included the incorporation of ABC/M in support of Strategic Planning Goals. In Region Northwest, the HRO uses ABC/M data to validate time spent by staff on non-mission activities and to realign staff's level of effort to core responsibilities

Voice Cost Reduction:
* The July 2004 update reported:
  o CNI participating in review of contractor Voice Pilot proposal;
  o Developing a consolidated CNI/NAVSUP-wide cell phone contract with FISC San Diego.

CNI continued to aggressively pursue efficiencies through reduced cell phone contracts. The contracts were reduced from 233 to 3 with contracts changed from annual to month-to-month contracts. There was also a reduction from 17 to 3 service providers. The overall anticipated annual savings from these measures totals $2.7M.

NAVFAC/NAVSUP/CNI Alignment

Scope of Program

The initial CNI reporting on this "Plus One" issue was limited to the alignment with NAVSUP on the Supply transformation with COMFISCs. This was expanded to include CNI's alignment with NAVFAC and the consolidation of the Regional Engineer Staff and Public Works Departments (PWDs) into Facilities Engineering Commands (FECs).

Progress in FY 2004

CNI Supply Transformation:

CNI and NAVSUP continued negotiations during FY 2004 to transfer BOS Supply functions and activities from CNI to COMFISCS.

- CNI's goal is to outsource Supply functions to Supply (COMFISCS).
  - o ~ 51% of supply centric services are outsourced
  - o BOS Supply functions have NAVSUP "rules and tools" in-place
  - o Leverage COMFISCS' core competency supply chain management
- Centralizing BOS Supply functions eliminates roughly 400 billets
  - o Still provides Capability Level 3 services
  - o Recipients monitor and measure performance feedback to CNI HQ & COMFISCS
- OPCON supply functions to COMFISCS in FY 2005:
  - o CNI pays: employee salaries, NMCI – One Net (BLII) costs
  - o CNI provides: facilities and other BOS support

The CNI/COMFISCS Memorandum of Agreement (MOA) was officially signed on 25 January 2005.

CNI - FISC / NAVSUP

Supply Services provided by COMFISCS ~($135 M): 25 JAN 05

- Inventory Management
- Inventory Control
- Requisition Processing
- Warehousing
- Transportation

- Accommodation Storage
- Large Contracting
- Simplified Acquisition
- Personal Property
- Mail Services

Supply Services to be studied for transfer:

- Hazardous Material Control & Mgmt (short term) – being reviewed for consistent service delivery and impact with Environmental
- Petroleum, Oil, Lubricants (short term) – possible alignment with DESC
- Government Purchase Card – passed to Comptroller … but may migrate to NAVSUP

CNI-NAVFAC Partnership:

The CNI-NAVFAC MOA was signed on 26 December 2004. The outline of this partnership is shown below:

CNI - NAVFAC Partnership

Keys to Success: Interdependency, Trust, Performance

- Navy Level:
  - CNI HQ Leverages NAVFAC HQ Staffing and Capability
    - Enables CNI to Minimize CNI HQ Staffing
  - NAVFAC HQ Aggressively Supports CNI
- Theater Level:
  - CNI Leverages NAVFAC LANT and NAVFAC PAC Commanders as "CNI Forward"
- Region Level:
  - Regional Commander Leverages NAVFAC Facilities Engineering Command (FEC) Staffing and Capability
    - All Region Facilities Staffing Integrated into the NAVFAC FEC
- Installation Level:
  - CO Leverages NAVFAC FEC Integrated Product Team (IPT)
    - All Installation Facilities Staffing Integrated into the NAVFAC FEC

Commander, Navy Installations (CNI) – Supporting the Warfighter

This partnership will consolidate Regional Engineer Staff and PWDs into FECs and provide:
- Consistent Facility Support processes across all Regions
- Elimination of duplication of support functions between CNI and NAVFAC
- Clarified roles (such as planning and engineering)
- Reduced costs.

The Facility Support Program end state includes:
- Regional Commanders make Facility Support program decisions based on their Regional Engineer recommendations; with program funding continuing through CNI to Regional Commanders;
- Regional Engineers/FEC COs are OPCON and ADDU to Regional Commanders, ADCON and PRIDU to NAVFAC LANT/PAC; while Installation PWOs are OPCON and ADDU to Installation COs, ADCON and PRIDU to the Regional Engineer/FEC CO
- All Regional Facility Support civilian and military positions are attached to the FEC funded by either NAVFAC mission funds or a NWCF rate
- All NAVFAC Facility Support mission funds are programmed by OPNAV N46 models in the Navy Core Business Model; and all Installation Public Works functions are provided through the FEC.

Significant progress has been made with Regional Engineer staffs already operating in FECs Mid Atlantic, Washington, Midwest, and Far East. The next phase is in progress with Regional Engineer staffs for Southwest, Hawaii, and Marianas to integrate with the FECs in mid-2005. The plan also calls for integrating Regional Engineer staffs in Southeast, Northeast, Northwest, and Europe in FY 2006. CONUS PWDs will integrate into the FECs in FY 2006.